

1 **[As Amended by House Committee of the Whole]**

2  
3 **As Amended by House Committee**

4 *Session of 2001*

5  
6 **HOUSE BILL No. 2010**

7  
8 By Special Committee on Utilities

9  
10 1-5

11  
12 AN ACT concerning property taxation; relating to certain exemptions;  
13 amending K.S.A. 2000 Supp. 79-201 and repealing the existing section.  
14

15 *Be it enacted by the Legislature of the State of Kansas:*

16 Section 1. K.S.A. 2000 Supp. 79-201 is hereby amended to read as  
17 follows: 79-201. The following described property, to the extent herein  
18 specified, shall be and is hereby exempt from all property or ad valorem  
19 taxes levied under the laws of the state of Kansas:

20 *First.* All buildings used exclusively as places of public worship and all  
21 buildings used exclusively by school districts and school district interlocal  
22 cooperatives organized under the laws of this state, with the furniture and  
23 books therein contained and used exclusively for the accommodation of  
24 religious meetings or for school district or school district interlocal co-  
25 operative purposes, whichever is applicable, together with the grounds  
26 owned thereby if not leased or otherwise used for the realization of profit,  
27 except that: (a) (1) Any school building, or portion thereof, together with  
28 the grounds upon which the building is located, shall be considered to be  
29 used exclusively by the school district for the purposes of this section  
30 when leased by the school district to any political or taxing subdivision of  
31 the state, including a school district interlocal cooperative, or to any as-  
32 sociation, organization or nonprofit corporation entitled to tax exemption  
33 with respect to such property; and (2) any school building, together with  
34 the grounds upon which the building is located, shall be considered to be  
35 used exclusively by a school district interlocal cooperative for the purposes  
36 of this section when being acquired pursuant to a lease-purchase agree-  
37 ment; and (b) any building, or portion thereof, used as a place of worship,  
38 together with the grounds upon which the building is located, shall be  
39 considered to be used exclusively for the religious purposes of this section  
40 when used as a not-for-profit day care center for children which is li-  
41 censed pursuant to K.S.A. 65-501 *et seq.*, and amendments thereto, or  
42 when used to house an area where the congregation of a church society  
43 and others may purchase tracts, books and other items relating to the

1 promulgation of the church society's religious doctrines.

2 *Second.* All real property, and all tangible personal property, actually  
3 and regularly used exclusively for literary, educational, scientific, relig-  
4 ious, benevolent or charitable purposes, including property used exclu-  
5 sively for such purposes by more than one agency or organization for one  
6 or more of such exempt purposes. Except with regard to real property  
7 which is owned by a religious organization, is to be used exclusively for  
8 religious purposes and is not used for a nonexempt purpose prior to its  
9 exclusive use for religious purposes which property shall be deemed to  
10 be actually and regularly used exclusively for religious purposes for the  
11 purposes of this paragraph, this exemption shall not apply to such prop-  
12 erty, not actually used or occupied for the purposes set forth herein, nor  
13 to such property held or used as an investment even though the income  
14 or rentals received therefrom is used wholly for such literary, educational,  
15 scientific, religious, benevolent or charitable purposes. In the event any  
16 such property which has been exempted pursuant to the preceding sen-  
17 tence is not used for religious purposes prior to its conveyance which  
18 results in its use for nonreligious purposes, there shall be a recoupment  
19 of property taxes in an amount equal to the tax which would have been  
20 levied upon such property except for such exemption for all taxable years  
21 for which such exemption was in effect. Such recoupment tax shall be-  
22 come due and payable in such year as provided by K.S.A. 79-2004, and  
23 amendments thereto. A lien for such taxes shall attach to the real property  
24 subject to the same on November 1 in the year such taxes become due  
25 and all such taxes remaining due and unpaid after the date prescribed for  
26 the payment thereof shall be collected in the manner provided by law for  
27 the collection of delinquent taxes. Moneys collected from the recoupment  
28 tax hereunder shall be credited by the county treasurer to the several  
29 taxing subdivisions within which such real property is located in the pro-  
30 portion that the total tangible property tax levies made in the preceding  
31 year for each such taxing subdivision bear to the total of all such levies  
32 made in that year by all such taxing subdivisions. Such moneys shall be  
33 credited to the general fund of the taxing subdivision or if such taxing  
34 subdivision is making no property tax levy for the support of a general  
35 fund such moneys may be credited to any other tangible property tax  
36 fund of general application of such subdivision. This exemption shall not  
37 be deemed inapplicable to property which would otherwise be exempt  
38 pursuant to this paragraph because an agency or organization: (a) Is re-  
39 imbursement for the provision of services accomplishing the purposes enu-  
40 merated in this paragraph based upon the ability to pay by the recipient  
41 of such services; or (b) is reimbursed for the actual expense of using such  
42 property for purposes enumerated in this paragraph; or (c) uses such  
43 property for a nonexempt purpose which is minimal in scope and insub-

1 stantial in nature if such use is incidental to the exempt purposes of this  
2 paragraph; or (d) charges a reasonable fee for admission to cultural or  
3 educational activities or permits the use of its property for such activities  
4 by a related agency or organization, if any such activity is in furtherance  
5 of the purposes of this paragraph.

6 *Third.* All moneys and credits belonging exclusively to universities, col-  
7 leges, academies or other public schools of any kind, or to religious, lit-  
8 erary, scientific or benevolent and charitable institutions or associations,  
9 appropriated solely to sustain such institutions or associations, not ex-  
10 ceeding in amount or in income arising therefrom the limit prescribed  
11 by the charter of such institution or association.

12 *Fourth.* The reserve or emergency funds of fraternal benefit societies  
13 authorized to do business under the laws of the state of Kansas.

14 *Fifth.* All buildings of private nonprofit universities or colleges which  
15 are owned and operated by such universities and colleges as student union  
16 buildings, presidents' homes and student dormitories.

17 *Sixth.* All real and tangible personal property actually and regularly  
18 used exclusively by the alumni association associated by its articles of  
19 incorporation with any public or nonprofit Kansas college or university  
20 approved by the Kansas board of regents to confer academic degrees or  
21 with any community college approved by its board of trustees to grant  
22 certificates of completion of courses or curriculum, to provide accom-  
23 modations and services to such college or university or to the alumni, staff  
24 or faculty thereof.

25 *Seventh.* All parsonages owned by a church society and actually and  
26 regularly occupied and used predominantly as a residence by a minister  
27 or other clergyman of such church society who is actually and regularly  
28 engaged in conducting the services and religious ministrations of such  
29 society, and the land upon which such parsonage is located to the extent  
30 necessary for the accommodation of such parsonage.

31 *Eighth.* All real property, all buildings located on such property and all  
32 personal property contained therein, actually and regularly used exclu-  
33 sively by any individually chartered organization of honorably discharged  
34 military veterans of the United States armed forces or auxiliary of any  
35 such organization, which is exempt from federal income taxation pursuant  
36 to section 501(c)(19) of the federal internal revenue code of 1986, for  
37 clubhouse, place of meeting or memorial hall purposes, and real property  
38 to the extent of not more than two acres, and all buildings located on  
39 such property, actually and regularly used exclusively by any such veter-  
40 ans' organization or its auxiliary as a memorial park.

41 *Ninth.* All real property and tangible personal property actually and  
42 regularly used by a community service organization for the predominant  
43 purpose of providing humanitarian services, which is owned and operated

1 by a corporation organized not for profit under the laws of the state of  
2 Kansas or by a corporation organized not for profit under the laws of  
3 another state and duly admitted to engage in business in this state as a  
4 foreign not-for-profit corporation if: (a) The directors of such corporation  
5 serve without pay for such services; (b) the corporation is operated in a  
6 manner which does not result in the accrual of distributable profits, re-  
7 alization of private gain resulting from the payment of compensation in  
8 excess of a reasonable allowance for salary or other compensation for  
9 services rendered or the realization of any other form of private gain; (c)  
10 no officer, director or member of such corporation has any pecuniary  
11 interest in the property for which exemption is claimed; (d) the corpo-  
12 ration is organized for the purpose of providing humanitarian services;  
13 (e) the actual use of property for which an exemption is claimed must be  
14 substantially and predominantly related to the purpose of providing hu-  
15 manitarian services, except that, the use of such property for a nonexempt  
16 purpose which is minimal in scope and insubstantial in nature shall not  
17 result in the loss of exemption if such use is incidental to the purpose of  
18 providing humanitarian services by the corporation; (f) the corporation is  
19 exempt from federal income taxation pursuant to section 501(c)(3) of the  
20 internal revenue code of 1986 and; (g) contributions to the corporation  
21 are deductible under the Kansas income tax act. As used in this clause,  
22 “humanitarian services” means the conduct of activities which substan-  
23 tially and predominantly meet a demonstrated community need and  
24 which improve the physical, mental, social, cultural or spiritual welfare of  
25 others or the relief, comfort or assistance of persons in distress or any  
26 combination thereof including but not limited to health and recreation  
27 services, child care, individual and family counseling, employment and  
28 training programs for handicapped persons and meals or feeding pro-  
29 grams. Notwithstanding any other provision of this clause, motor vehicles  
30 shall not be exempt hereunder unless such vehicles are exclusively used  
31 for the purposes described therein, except that the use of any such vehicle  
32 for the purpose of participating in a coordinated transit district in ac-  
33 cordance with the provisions of K.S.A. 75-5032 through 75-5037, and  
34 amendments thereto, or K.S.A. 75-5051 through 75-5058, and amend-  
35 ments thereto, shall be deemed as exclusive use.

36 *Tenth.* For all taxable years commencing after December 31, 1986, any  
37 building, and the land upon which such building is located to the extent  
38 necessary for the accommodation of such building, owned by a church or  
39 nonprofit religious society or order which is exempt from federal income  
40 taxation pursuant to section 501(c)(3) of the federal internal revenue code  
41 of 1986, and actually and regularly occupied and used exclusively for  
42 residential and religious purposes by a community of persons who are  
43 bound by vows to a religious life and who conduct or assist in the conduct

1 of religious services and actually and regularly engage in religious, be-  
2 nevolent, charitable or educational ministrations or the performance of  
3 health care services.

4 *Eleventh.* For all taxable years commencing after December 31, 1998,  
5 all property **which is** actually and regularly used predominantly to pro-  
6 duce and generate electricity utilizing renewable energy resources or  
7 technologies **and which was so used prior to July 1, 2001.** For pur-  
8 poses of this ~~section~~ **paragraph and the twelfth paragraph**, “renew-  
9 able energy resources or technologies” shall include wind, solar, thermal,  
10 photovoltaic, biomass, hydropower, geothermal[, **waste incineration**]  
11 and landfill gas resources or technologies.

12 *Twelfth.* **For all taxable years commencing after December 31,**  
13 **2000, all property which is actually and regularly used predomi-**  
14 **nantly to produce and generate electricity[, or to produce and gener-**  
15 **ate during the taxable year heat energy at least equivalent to**  
16 **that produced and generated by 1,000 mcf of gas,] utilizing renew-**  
17 **able energy resources or technologies and which was not so used**  
18 **prior to July 1, 2001.** *The provisions of this paragraph shall apply to*  
19 *property for the 10 taxable years immediately following the taxable year*  
20 *in which the property is first used to produce or generate electricity.*

21 The provisions of this section, except as otherwise more specifically  
22 provided, shall apply to all taxable years commencing after December 31,  
23 1995.

24 **[New Sec. 2. The following described property, to the extent**  
25 **herein specified, shall be exempt from all property or ad valorem**  
26 **taxes levied under the laws of the state of Kansas:**

27 **[(a) All property actually and regularly used exclusively in the**  
28 **production of agricultural ethyl alcohol by a Kansas qualified ag-**  
29 **ricultural ethyl alcohol producer.**

30 **[(b) As used in this section, terms have the meanings provided**  
31 **by K.S.A. 79-34,160, and amendments thereto.**

32 **[(c) The provisions of this section shall apply to property the**  
33 **construction of which is completed after December 31, 2000, and**  
34 **for the 10 taxable years immediately following the taxable year in**  
35 **which such property is first used in the production of agricultural**  
36 **ethyl alcohol.**

37 **[(d) The provisions of this section shall apply to all taxable**  
38 **years commencing after December 31, 2000.]**

39 ~~Sec. 2.~~ [3.] K.S.A. 2000 Supp. 79-201 is hereby repealed.

40 ~~Sec. 3.~~ [4.] This act shall take effect and be in force from and after  
41 its publication in the statute book.